

FISCAL NOTE

HB 732 - SB 1581

March 22, 2005

SUMMARY OF BILL: Authorizes payments by the carrier or self-insured employer to medical providers for initial workers' compensation examinations and treatment that are authorized by the carrier or a self-insured employer even if the injury is not compensable, except those injuries caused by willful misconduct. Requires the Commissioner of Labor and Workforce Development to promulgate rules and regulations.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$14,000/Risk Management Fund

Increase Local Govt. Expenditures – Exceeds \$100,000*

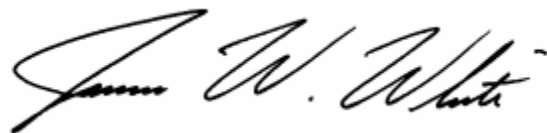
Assumptions:

- Initial medical exams for denied state employee workers' compensation claims are paid under employee state group health plans and the state already pays 80% and this bill would require 100% payment for initial workers' compensation examinations.
- Last year, the State denied an average of 140 workers' compensation claims.
- Cost of initial workers' compensation examinations are estimated to be \$500 and 80% of the cost is already paid by state group insurance plan and would shift over to be paid by the workers' compensation plan and the additional 20% would also have to be paid by the workers' compensation plan.
- Local governments would incur additional expenses to pay initial workers' compensation examinations that are denied.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director